Manitoba

Preliminary Financial Report

Hon. Clayton Manness — Minister of Finance

For the Year Ended March 31, 1988

MG-5333

PROVINCE OF MANITOBA
NOTES TO THE PRELIMINARY UNAUDITED FINANCIAL STATEMENTS
For the Fiscal Year Ended March 31, 1988

The following financial statements have been prepared by the Department of Finance and have not been audited by the Provincial Auditor. These statements have been prepared using the most current data available and it is anticipated that they will remain largely unchanged when final statements are prepared for the fiscal year. The comparative data shown for the 1986-87 fiscal year has been recast to reflect the organizational structure of departments as established in the 1987-88 Estimates.

These statements incorporate the adjustments resulting from the independent review of the financial position of the Government which was recently conducted by Stevenson, Kellogg, Ernst & Whinney. This review identified several accounting policy changes and related adjustments that were required in order to more accurately state the financial position of the Province. Accounting policy changes have been made respecting the recording of foreign currency debt, the valuation of loans, advances and long-term investments and the inclusion of certain liabilities and expenditures previously considered to be outside the Consolidated Fund. These accounting policy changes will be detailed in the Public Accounts for the fiscal year ended March 31, 1988.

The deficit for the year was $310.9 million. Total expenditures for the year were $4,348.9 million, up $161.0 million from the initial budget estimate of $4,187.9 million, while revenue was $4,038.0 million or $265.4 million higher than the initial budget estimate of $3,772.6 million.

The estimated figures shown on the Statement of Expenditure include only the authority provided at the beginning of the fiscal year in the Main Estimates. Amounts authorized by Special Warrant during the fiscal year (excluding authority required to fund March 31, 1987 accrued liabilities, described below) along with adjustments to Statutory Appropriations increased fiscal year authority to $4,328.8 million.

Excluding extraordinary expenditure related to the Workers Compensation Board and the Manitoba Public Insurance Corporation, the Province lapsed approximately $55.4 million of expenditure authority.

	(Millions of Dollars)
Main Estimates	$4,217.9
Special Warrants (excluding authority for March 31, 1987 accrued liabilities)	88.2
Increase in Statutory Appropriations	22.7
Total Expenditure Authority	$4,328.8
Actual Expenditure (excluding extraordinary expenditure)	4,273.4
Total Expenditure Authority Lapsed	$ 55.4

Supplementary funds were approved by Special Warrant to meet cost increases related to the medical, hospital and pharmacare programs funded through the Manitoba Health Services Commission ($25.2 million); Child and Family Services programs ($11.0 million); the Universities Grants Commission ($10.7 million); the General Salary Increase ($8.5 million); Regional Services, Fire Extra-Suppression Fund ($7.5 million); Community Health Services programs ($5.3 million); Corrections programs ($2.9 million); Community Social Services programs ($2.1 million); and other miscellaneous departmental requirements ($15.0 million). As well, approximately $42.7 million was approved by Special Warrant to provide authority for the unfunded portion of liabilities that were accrued at the close of the 1986-87 fiscal year - Public School Support ($35.1 million), Manitoba Development Corporation losses ($7.6 million).

PROVINCE OF MANITOBA
STATEMENT OF DIRECT AND GUARANTEED DEBT
AS AT MARCH 31, 1988
(with figures shown for March 31, 1987)
(UNAUDITED)

	1988	1987	NET INCREASE (DECREASE)
		(Thousands of Dollars)	
DIRECT DEBT:			
Gross Direct Debt	$9,920,535	$8,651,771	$1,268,764
Less:			
Sinking Funds - Cash and Investments	1,295,362	1,054,855	240,507
Net Direct Debt	$8,625,173	$7,596,916	$1,028,257
GUARANTEED DEBT:			
Gross Guaranteed Debt	$1,951,360	$2,094,979	$ (143,619)
Less:			
Sinking Funds - Cash and Investments	262,801	272,587	(9,786)
Net Guaranteed Debt	$1,688,559	$1,822,392	$ (133,833)
Total Direct and Guaranteed Debt - Net of Sinking Funds	$10,313,732	$9,419,308	$ 894,424
PURPOSE OF DEBT			
Crown Corporations, Agencies, Boards and Commissions	$5,224,534	$4,986,058	$ 238,476
Other Purposes	213,166	216,555	(3,389)
	$5,437,700	$5,202,613	$ 235,087
Less:			
Sinking Funds - Cash and Investments	414,218	404,350	9,868
	$5,023,482	$4,798,263	$ 225,219
General Government Programs	$6,434,195	$5,544,137	$ 890,058
Less:			
Sinking Funds - Cash and Investments	1,143,945	923,092	220,853
	$5,290,250	$4,621,045	$ 669,205
PER CAPITA DEBT INFORMATION			
		(Dollars)	
Crown Corporations, Agencies, Boards and Commissions (Net)	$ 4,656	$ 4,479	$ 177
General Government Programs (Net)	4,903	4,314	589
	$ 9,559	$ 8,793	$ 766

PROVINCE OF MANITOBA
NOTES TO STATEMENT OF DIRECT AND GUARANTEED DEBT

1. Prior to March 31, 1988, debt payable in foreign currencies was stated at the Canadian dollar equivalent converted at the exchange rate in effect at the date of issue. As a result of a change in accounting policy, debt payable in foreign currencies has been stated at the Canadian dollar equivalent converted at the exchange rates in effect as at March 31, 1988 and March 31, 1987.

2. General Government Programs include $399.1 million of cumulative redeemable retractable 9 1/4% preferred shares issued by Manitoba Properties Inc., which are guaranteed by the Province.

3. Per capita data is based upon population figures at June 1, 1987 and June 1, 1986 as reported by Statistics Canada.

PROVINCE OF MANITOBA
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED MARCH 31, 1988
(with comparative figures for March 31, 1987)
(UNAUDITED)

1986-87	1987-88	NET INCREASE (DECREASE)		1987 - 1988 ACTUAL	ESTIMATED	VARIANCE
(Thousands of Dollars)				(Thousands of Dollars)		
3,945,577	4,348,870	403,293	Total Budgetary Expenditure - Schedule I	4,348,870	4,187,860	161,010
3,386,519	4,038,005	651,486	Less: Total Revenue - Schedule II	4,038,005	3,772,609	265,396
559,058	310,865	(248,193)	Deficit	310,865	415,251	(104,386)

NOTE: Total budgetary expenditure for 1987-88 includes $261.2 million of expenditure related to capital items (1986-87 - $249.3 million).

PROVINCE OF MANITOBA
STATEMENT OF EXPENDITURE
FOR THE YEAR ENDED MARCH 31, 1988
(with comparative figures for March 31, 1987)
(UNAUDITED)

SCHEDULE I

1986-87	1987-88	INCREASE (DECREASE)		1987-1988 ACTUAL	1987-1988 ESTIMATED	1987-1988 VARIANCE
(Thousands of Dollars)				(Thousands of Dollars)		
10,642	9,576	(1,066)	Legislation	9,576	9,371	205
2,258	2,448	190	Executive Council	2,448	2,588	(140)
66,755	70,773	4,018	Agriculture	70,773	84,992	(14,219)
76,809	86,294	9,485	Attorney-General	86,294	82,099	4,195
17,958	18,631	673	Business Development and Tourism	18,631	19,293	(662)
51,319	61,031	9,712	Civil Service	61,031	63,068	(2,037)
186,257	217,623	31,366	Community Services	217,623	203,788	13,835
4,578	5,247	669	Consumer and Corporate Affairs	5,247	4,444	803
6,292	3,108	(3,184)	Co-operative Development	3,108	3,261	(153)
1,346	505	(841)	Crown Investments	505	787	(282)
20,649	18,924	(1,725)	Culture, Heritage and Recreation	18,924	19,949	(1,025)
704,975	757,419	52,444	Education	757,419	747,334	10,085
212,867	235,291	22,424	Employment Services and Economic Security	235,291	236,185	(894)
12,077	12,557	480	Energy and Mines	12,557	12,402	155
11,644	11,851	207	Environment and Workplace Safety and Health	11,851	12,272	(421)
653,409	709,967	56,558	Finance	709,967	697,128	12,839
126,439	132,244	5,805	Government Services	132,244	138,594	(6,350)
1,237,635	1,337,122	99,487	Health	1,337,122	1,327,380	9,742
196,616	201,257	4,641	Highways and Transportation	201,257	203,521	(2,264)
41,196	50,808	9,612	Housing	50,808	47,870	2,938
8,744	9,937	1,193	Industry, Trade and Technology	9,937	9,216	721
9,320	9,943	623	Labour	9,943	9,847	96
39,877	39,359	(518)	Municipal Affairs	39,359	41,870	(2,511)
82,770	92,015	9,245	Natural Resources	92,015	86,321	5,694
28,402	30,721	2,319	Northern Affairs	30,721	29,858	863
61,084	64,086	3,002	Urban Affairs	64,086	66,977	(2,891)
1,442	1,879	437	Emergency Interest Rate Relief	1,879	1,445	434
3,491	1,961	(1,530)	Flood Control and Emergency Expenditures	1,961	1,000	961
68,726	59,549	(9,177)	Manitoba Jobs Fund	59,549	55,000	4,549
-	21,298	21,298	Crown Corporation Losses and Expenditures	21,298	-	21,298
-	-	-	Year End Savings	-	(30,000)	30,000
3,945,577	4,273,424	327,847	TOTAL BEFORE EXTRAORDINARY EXPENDITURE	4,273,424	4,187,860	85,564
-	16,386	16,386	Extraordinary Expenditure: Workers Compensation Board	16,386	-	16,386
-	59,060	59,060	Manitoba Public Insurance Corporation	59,060	-	59,060
3,945,577	4,348,870	403,293	TOTAL BUDGETARY EXPENDITURE	4,348,870	4,187,860	161,010

PROVINCE OF MANITOBA

STATEMENT OF REVENUE

FOR THE YEAR ENDED MARCH 31, 1988

(with comparative figures for March 31, 1987)

(UNAUDITED)

SCHEDULE II

1986-87	1987-88	INCREASE (DECREASE)		1987-1988 ACTUAL	1987-1988 ESTIMATED	1987-1988 VARIANCE
(Thousands of Dollars)				(Thousands of Dollars)		
			TAXATION:			
			Attorney-General			
-	10,107	10,107	- Land Transfer Tax	10,107	21,400	(11,293)
			Consumer and Corporate Affairs			
19,424	21,022	1,598	- Insurance Corporations Tax	21,022	17,700	3,322
			Finance			
			- Canada-Manitoba Income Tax Collection Agreement			
119,358	167,025	47,667	- Corporation Income Tax	167,025	142,600	24,425
760,144	988,267	228,123	- Individual Income Tax	988,267	880,900	107,367
40,571	58,383	17,812	- Corporation Capital Tax	58,383	58,700	(317)
115,730	119,550	3,820	- Gasoline Tax	119,550	115,000	4,550
126,578	187,538	60,960	- Levy for Health and Education	187,538	184,800	2,738
48,106	28,297	(19,809)	- Mining Tax	28,297	7,000	21,297
56,956	71,562	14,606	- Motive Fuel Tax	71,562	73,800	(2,238)
7,249	8,357	1,108	- Oil and Natural Gas Tax	8,357	7,500	857
5,080	5,193	113	- Pari Mutuel Tax	5,193	5,000	193
463,028	566,999	103,971	- Retail Sales Tax	566,999	590,000	(23,001)
32,642	41,414	8,772	- Revenue Act, 1964, Part I	41,414	40,500	914
91,660	93,907	2,247	- Tobacco Tax	93,907	93,000	907
13,408	17,856	4,448	- Reciprocal Taxation	17,856	16,800	1,056
176	154	(22)	- Other Taxes	154	155	(1)
1,900,110	2,385,631	485,521		2,385,631	2,254,855	130,776
			OTHER REVENUE:			
8,523	9,087	564	Agriculture	9,087	9,555	(468)
30,882	22,817	(8,065)	Attorney-General	22,817	20,675	2,142
141,862	151,452	9,590	Liquor Control Commission	151,452	154,000	(2,548)
4,309	4,504	195	Community Services	4,504	4,710	(206)
3,984	5,645	1,661	Consumer and Corporate Affairs	5,645	4,365	1,280
9,301	12,312	3,011	Education	12,312	8,593	3,719
5,161	5,411	250	Energy and Mines	5,411	5,203	208
2,242	3,484	1,242	Finance	3,484	1,100	2,384
40,832	43,990	3,158	Highways and Transportation	43,990	51,346	(7,356)
45,348	46,408	1,060	Natural Resources	46,408	46,793	(385)
27,693	28,606	913	Other	28,606	39,064	(10,458)
320,137	333,716	13,579		333,716	345,404	(11,688)

1986-87	1987-88	INCREASE (DECREASE)		1987-1988 ACTUAL	1987-1988 ESTIMATED	1987-1988 VARIANCE
(Thousands of Dollars)				(Thousands of Dollars)		
			GOVERNMENT OF CANADA:			
63,763	72,714	8,951	Community Services	72,714	69,325	3,389
28,013	24,319	(3,694)	Education	24,319	23,570	749
103,189	116,698	13,509	Employment Services and Economic Security	116,698	112,491	4,207
6,840	7,770	930	Northern Affairs	7,770	8,503	(733)
25,340	27,616	2,276	Other	27,616	21,674	5,942
			Finance:			
508,359	620,464	112,105	- Equalization	620,464	469,000	151,464
418,209	434,081	15,872	- Established Programs Cash Transfer	434,081	447,000	(12,919)
2,193	2,224	31	- Government of Canada Subsidy	2,224	2,200	24
8	-	(8)	- Share of Federal Oil Export Tax	-	-	-
1,155,914	1,305,886	149,972		1,305,886	1,153,763	152,123
3,376,161	4,025,233	649,072	TOTAL CURRENT OPERATING PROGRAMS	4,025,233	3,754,022	271,211
			REVENUE RELATED TO CAPITAL:			
			Other Revenue:			
-	1,804	1,804	Government Services	1,804	3,000	(1,196)
2,230	1,361	(869)	Highways and Transportation	1,361	1,625	(264)
566	601	35	Natural Resources	601	476	125
1,686	1,100	(586)	Urban Affairs	1,100	1,221	(121)
926	829	(97)	Sale of Government Assets	829	900	(71)
5,408	5,695	287		5,695	7,222	(1,527)
			Government of Canada:			
2,069	1,256	(813)	Business Development and Tourism	1,256	1,325	(69)
490	2,309	1,819	Highways and Transportation	2,309	2,928	(619)
288	323	35	Natural Resources	323	585	(262)
450	2,166	1,716	Northern Affairs	2,166	2,277	(111)
1,653	1,023	(630)	Urban Affairs	1,023	1,250	(227)
-	-	-	Other	-	3,000	(3,000)
4,950	7,077	2,127		7,077	11,365	(4,288)
10,358	12,772	2,414	TOTAL REVENUE RELATED TO CAPITAL	12,772	18,587	(5,815)
3,386,519	4,038,005	651,486	TOTAL REVENUE	4,038,005	3,772,609	265,396